

## Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 03112 282319Z

67

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 SCI-06 SCEM-02 INT-08 EB-11 COME-00 TRSE-00

DRC-01 /131 W

----- 114558

R 282259Z DEC 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2394

UNCLAS OTTAWA 03112

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJECT: IMPACT OF INCREASED OIL PRICES IN CANADA

1. ACCORDING TO PRESS ACCOUNTS ENERGY MINISTER MACDONALD AT DECEMBER 27 PRESS CONFERENCE SUGGESTED RECENT MIDDLE EAST PRICE INCREASE WILL WORK OUT AT \$4 PER BARREL FOR OIL LANDED AT MONTREAL AND THAT THIS WOULD TRANSLATE INTO FURTHER TWELVE CENTS PER GALLON INCREASE IN RETAIL PRICES GASOLINE AND HEATING OIL. THIS WOULD REPRESENT A DIFFERENCE OF TWENTY CENTS PER GALLON BETWEEN PRICES AT MONTREAL AND TORONTO, "AN ALMOST IMPOSSIBLE LEVEL TO LIVE WITH." MACDONALD REPORTEDLY SAID GOVERNMENT IS ALMOST CERTAIN TO SET UP A SUBSIDY PLAN AND FINANCE IT BY BOOSTING THE EXPORT TAX ON CRUDE OIL TO \$6.50 PER BARREL ON FEBRUARY 1. HE INDICATED THIS WOULD BE MAJOR QUESTION FOR FEDERAL-PROVINCIAL ENERGY CONFERENCE WHICH WILL CONVENE IN JANUARY. MACDONALD ALSO INDICATED GOC HAS NO PLANS TO END WELL HEAD PRICE FREEZE IN WESTERN CANADA BEFORE END OF CURRENT HEATING SEASON.

JOHNSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, SUPPLIES, PRICE TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973OTTAWA03112  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t1973123/aaaaabts.tel  
**Line Count:** 48  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 1  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IMPACT OF INCREASED OIL PRICES IN CANADA  
**TAGS:** ENRG, CA  
**To:** STATE  
**Type:** TE  
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